

14.1 Pre-registration house officer

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£27,248 per year	Based on payment for 40.7 basic hours per week on duty (of which 88.7 per cent are actually worked), and 31.7 additional hours per week (of which 59.6 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£2,903 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£17,544 per year	The equivalent annual cost of pre-registration medical education. The investment in training has been annuitised over the expected working life of the doctor. ² See schema 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 for indirect overheads. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£2,549 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{4/5} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,964.
Working time	44 weeks per annum	Includes 25 days annual leave and 10 statutory leave days. Assumes 5 days sickness leave. No study/training days have been assumed.
London multiplier	1.14 x (A to E); 1.49 x F	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£11 (£17) per hour on duty; £15 (£23) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.2 Senior house officer

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£37,557 per year	Based on payment for 38.9 basic hours per week on duty (of which 87 per cent are actually worked), and 33.6 additional hours per week (of which 48 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£4,427 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£18,838 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. See 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 for indirect overheads. ² No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£3,272 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,964.
Working time	38 weeks per annum	Includes 25 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 x (A to E); 1.49 x F	Allows for the higher costs associated with London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁵ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£17 (£25) per hour on duty; £25 (£37) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 Provisional and published analysis using data from the Department of Health's weighted capitation formula.

14.3 Specialist registrar

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£41,299 per year	Based on payment for 39.9 basic hours per week on duty (of which 89 per cent are actually worked), and 30.7 additional hours per week (of which 43 per cent are actually worked at a rate of 50 per cent of basic rate). ¹ It does not reflect payments for London allowances.
B. Salary oncosts	£5,054 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£20,788 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer and two years as a senior house officer have been annuitised over the expected working life of the doctor. ² See 7.5 for further details on training for health professionals.
D. Overheads	£2,450 per year	Comprises £2,450 for indirect overheads. ³ No allowance has been made for direct overheads because it is not possible to separate these from the cost of treatment.
E. Ongoing training	£3,272 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£2,569 per year	Based on the new build and land requirements of NHS facilities. ^{4/5} Adjustments have been made to reflect shared use of administration and recreational facilities, including accommodation for night-time duties. Treatment space has not been included. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £3,964.
Working time	37 weeks per annum	Includes 30 days annual leave and 10 statutory leave days. Assumes 30 study/training days, and 5 days sickness leave.
London multiplier	1.14 × (A to E); 1.49 × F	Allows for the higher costs associated with London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 × (A to E) 0.97 × F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁶ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£20 (£29) per hour on duty; £29 (£42) per hour worked (includes A to F).		

1 Review Body on Doctors' and Dentists' Remuneration, Thirty First Report 2002, The Stationery Office, London.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vol 2 Methodology*, Page 13.

4 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

5 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

6 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.4 Consultant: medical

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,331 per year	Average salary for a consultant physician based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £576 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,379 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,199 for indirect overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
Ratio of direct to indirect time on: patient-related activity	1:0.33	Assuming 69 per cent of consultant time spent on patient-related activity. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 × (A to E); 1.51 × F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 × (A to E) 0.97 × F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£69 (£86) per hour; £92 (£114) per patient-related hour (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.5 Consultant: surgical

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,301 per year	Average salary for a consultant surgeon based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £546 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,378 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,119 for direct overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
<i>Ratio of direct to indirect time on/in:</i> patient-related activity operating theatre	1:0.35 1:2.17	Assuming 68 per cent of consultant time spent on patient-related activity and 29 per cent in theatre. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E); 1.51 x F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£69 (£86) per hour; £219 (£272) per hour operating; £93 (£116) per patient-related hour (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS, Vols 1 & 2*, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Audit Commission (1996) *The Doctors' Tale Continued*, HMSO, London.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.

14.6 Consultant: psychiatric

Costs and unit estimation	2003/2004 value	Notes
A. Wages/salary	£71,193 per year	Average salary for a consultant psychiatrist based on the April 2003 scale midpoint including £8,505 corresponding to the third discretionary point. ¹ The sum also includes £438 to reflect the national level of distinction award payments. It does not reflect payments for London allowances.
B. Salary oncosts	£10,374 per year	Employers' national insurance plus 4 per cent of salary for employers' contribution to superannuation.
C. Qualifications	£25,659 per year	The equivalent annual cost of pre-registration medical training and post-graduate medical education. The investment in training of a medical degree, one year spent as a pre-registration house officer, two years as a senior house officer and four years as a specialist registrar have been annuitised over the expected working life of the consultant. ² See 7.5 for further details on training for health professionals.
D. Overheads	£27,833 per year	Comprises £6,119 for indirect overheads and £21,634 for secretarial staff costs.
E. Ongoing training	£1,507 per year	Ongoing training is calculated using (provisional) budgetary information provided by the Medical Education Funding Unit of the NHS Executive relating to allocation of Medical and Dental Education Levy funds. Adjustment has been made to reflect assumed usage of educational facilities by this grade of doctor.
F. Capital overheads	£3,798 per year	Based on the new build and land requirements of NHS facilities. ^{3/4} Includes shared use of consultation and examination areas, and designated secretarial office space. Capital costs have been annuitised over 60 years at a discount rate of 3.5 per cent. At 6 per cent, the cost would be £5,860.
Working time	41 weeks per annum 48.2 hours per week	Includes 30 days annual leave and 10 statutory leave days. Assumes 10 study/training days, and 5 days sickness leave. Research carried out in 2000/2001 involving 300 consultants showed that they worked an average of 51.5 hours a week in the NHS. They spent an average 3.3 hours per week on private practice or other non-NHS work, such as medico-legal reports. ⁵
Ratio of direct to indirect time on: face-to-face contacts patient-related activity	1:2.17 1:0.37	Assuming 29 per cent of consultant time spent in face-to-face contact and 67 per cent on patient-related activity. ⁶ Time spent teaching has been disregarded, and non-contact time has been treated as an overhead on time spent in patient contact.
London multiplier	1.14 x (A to E) 1.51 x F	Allows for the higher costs associated with London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Non-London multiplier	0.97 x (A to E) 0.97 x F	Allows for the lower costs associated with working outside London compared to the national average cost. ⁷ Building Cost Information Service and Department of the Environment.
Unit costs available 2003/2004 (costs including qualifications given in brackets)		
£58 (£71) per hour; £80 (£98) per patient-related hour; £184 (£225) per hour patient contact (includes A to F).		

1 NHS Executive (2003) *Advance letter (MD) 1/2003*.

2 Netten, A., Knight, J., Dennett, J., Cooley, R. & Slight, A. (1998) *Development of a Ready Reckoner for Staff Costs in the NHS*, Vols 1 & 2, Personal Social Services Research Unit, University of Kent, Canterbury.

3 Building Cost Information Service (2004) *Surveys of Tender Prices*, March, BCIS, Royal Institution of Chartered Surveyors, London.

4 Office of the Deputy Prime Minister (ODPM) *Property Market Report*, Spring 2003, Valuation Office.

5 British Medical Association (2002) Consultants survey, *Health Service Journal*, February 2002.

6 Watson, J.P. (1985) Psychiatric manpower and the work of the consultant, *Bulletin of the Royal College of Psychiatrists*, Vol. 9, September.

7 Provisional and unpublished analysis using data from the Department of Health's weighted capitation formula.